



STATE OF WEST VIRGINIA
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Press Release

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**ATTORNEY GENERAL DARRELL V. MCGRAW, JR.
ANNOUNCES STATE TO RECEIVE AN ADDITIONAL
\$603 THOUSAND FROM TOBACCO COMPANIES**

Attorney General Darrell V. McGraw, Jr., announced that the State of West Virginia has settled numerous disputes under the tobacco Master Settlement Agreement (MSA). Under the current settlement, the State of West Virginia will receive an additional \$603,483.55 by June 30.

The most important part of the settlement involved claims the State had against Brown & Williamson (B&W), the nation's third largest cigarette manufacturer. Under the Master Settlement Agreement, signed in 1998, participating cigarette manufacturers make payments to the State based on the number of cigarettes a company is responsible for in any year. B&W manufactured cigarettes for Star Tobacco, Inc., a company that refused to join the agreement, and excluded the cigarettes it manufactured for Star in determining its payment to the State. The state contended that this practice violated the MSA. B&W has agreed to make payments for the cigarettes it manufactured for Star.

In addition, B&W and all other major tobacco companies agreed that in the future they would take responsibility under the MSA for cigarettes they manufacture for other companies. The agreement also resolves the claims of the State against Star for cigarettes sold through the end of 2002. Star has announced the sale of its cigarette business to North Atlantic Trading Company, subject to regulatory approval.

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